

FINAL January 3, 2014 10:15 A.M.

A G E N D A

**NATURAL RESOURCES ITEMS FOR THE**

**TRANSPORTATION AND NATURAL RESOURCES COMMITTEE - STATE ADMINISTRATIVE BOARD**

Transportation and Natural Resources - January 14, 2014 - 11:00 A.M.  
State Administrative Board Meeting - January 14, 2014 - 11:00 A.M.

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**This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.**

MINERAL LEASES

1. **OIL AND GAS LEASE AUCTION HELD October 28, 2013:** A total of 11,933.29 acres of state-owned oil and gas rights were offered for lease. There were 14 successful bidders out of 14 registered. A total of 11,933.29 acres bid on are proposed to be leased within 12 counties. Net revenue generated at the auction was \$599,587.02.

Terms: Five-year primary term with two one-year extension options, 1/6 royalty. Bonus amount of \$513,356.00 and rental amount of \$86,231.02.

2. **DIRECT OIL AND GAS LEASE - NONDEVELOPMENT:** Oil and gas lease rights to 120 acres, more or less, of state-owned Department of Military and Veteran Affairs oil and gas rights located in Section 4, T25N, R04W, Beaver Creek Township, Crawford County, have been requested by Savoy Energy Limited Partnership, of Traverse City, Michigan.

Terms: Two-year primary term, no extensions, three-sixteenths (3/16) royalty, \$30,000.00 bonus consideration (\$250.00 per acre), and \$2.00 per acre rental.

The Director of the Department of Natural Resources approved item 1 on December 12, 2013. The Natural Resources Deputy approved item 2 on December 17, 2013. The form of legal documents involved in these transactions has previously been approved by the Attorney General.

I recommend approval.

Respectfully submitted:  
Department of Natural Resources

By: \_\_\_\_\_  
Mary Uptigrove, Manager  
Minerals Management